

REMARKS/ARGUMENTS

Claims 1, 24, 46, and 69 are amended; claims 2-3, 9-23, 25-45, 51-52, 55, 63, 65-66, and 77-78 were previously cancelled; claims 7 and 70 are currently cancelled; claims 83-88 are new; and claims 1, 4-6, 8, 24, 46-50, 53, 54, 56-62, 64, 67-76, and 79-88 are pending upon entry of the Amendment. No new matter in introduced by way of the Amendment.

Support for the Amendment can be found, for example, in paragraphs [0023]-[0025], and [0029] of the Specification.

Claim Rejections – 35 USC § 112

Claims 1, 7 and 46 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite. Applicant respectfully disagrees, but has amended these claims solely to expedite prosecution. Claim 1 now recites that the T&C statement is for the secondary benefit, and is not required for completion of the transaction of a separate good and/or service. Accordingly, the rejection has been overcome and should be withdrawn.

Claim Rejections – 35 USC § 102

Claim 69 is rejected under 35 U.S.C. 102(b) as allegedly being anticipated by Iannacci (US2002/0062249). The rejection is respectfully traversed.

Iannacci does not teach nor suggest, *inter alia*, “determining that a prior T&C statement has been previously accepted, and requires revision and reacceptance for the loyalty transaction to process”.

With reference to Fig. 8, Iannacci recites in paragraph [0113] (emphasis added):
The particular user highlighted in FIG. 4 has set a preference to use low interest rate financing offers. While a Visa promotional offer may provide the lowest rate, it could be that another offer, such as a \$25 cash rebate from MasterCard, is more valuable. This is where the present invention makes smarter settlements for the user by reviewing the preferred incentives in a cascading fashion and by evaluating all available offers. Once the best offers are identified, the present invention may negotiate with award suppliers for improved

benefits. The present invention, in one embodiment, then will automatically select the best benefits according to user preferences, directives, and latitudes and consequently advance the appropriate payment accounts to use that will acquire the benefits and settle the transaction.

It is clear that Iannacci merely recites minimum values of a consumer which a incentive by an option provider must meet or better.

No where is it suggested by Iannacci that these minimum values require revision and reacceptance for a loyalty transaction to process. Obtaining more than a minimum value does not revise the minimum value. Further, for Iannacci to “automatically select” the best value for a user, it would not make sense for the user to provide acceptance of a revised T&C statement in order for the loyalty transaction to continue. Such a process would not be “automatic” as recited by Iannacci.

Further, Iannacci does not recite that a provider requires revision of the minimum values. The Office Action recited on pages 16-17:

[T]he user’s preferred benefits are retrieved and reviewed. Therefore, Iannacci teaches that the terms and conditions has been previously accepted and requires revision (reviewed).

From this, Applicant takes that the Office Action believes that “reviewed” as used by Iannacci is broadly construed by the Office Action to cover “requires revision”. This is clearly not supported by Iannacci as one of ordinary skill in the art would recognize. Paragraph [0113] recited above directly follows and explains what Iannacci meant by “retrieved and reviewed”, i.e., merely that any offer must meet minimum requirements for automatic acceptance by the consumer.

To clarify the claim limitations, applicant has amended claim 69 to require that the consumer must accept the revision provided by an offeror. Thus, even from a broad perspective, Iannacci does not teach nor suggest the noted claim limitation.

For at least the reasons cited above, claim 69 is not anticipated by Iannacci.

Claim Rejections – 35 USC § 103

Claims 1, 4-8, 24, 31-34, 46-50, 53, 54, 56-62, 64, 67, 68, 70-72, 74, and 76 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Iannacci in view of Chen (U.S. Pat. No. 6,549,912). The rejection is respectfully traversed.

Regarding claim 1, Iannacci does not teach nor suggest, *inter alia*, “determining that a terms and conditions statement regarding the secondary benefit was previously accepted by the consumer and needs to be updated and accepted again by the consumer for the transaction at the physical point of sale based on the portable device information on the portable device”. Claim 46 recites a similar limitation.

Iannacci recites a server based method for automatically searching various credit card rewards programs for the “best deal” during a transaction according to minimum predetermined values. This is implemented by a universal card, which represents multiple credit accounts, for use in a transaction. No where does Iannacci reasonably recite presenting the consumer with a specifically tailored terms and condition statement for acceptance during the transaction for a secondary benefit. This is detailed in the argument above with respect to claim 69.

According, the rejected claims are patentable over Iannacci in view of Chen, because Iannacci in view of Chen fails to recite the required claim elements.

Claims 73, 75, and 81-82 derive patentability from claim 1, and also recite claim limitations patentable in their own rights, which are not expounded upon only for the sake of brevity.

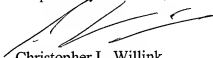
CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Further, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment in connection with this paper to Deposit Account No. 20-1430.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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